COUNTRY PROGRESS INDICATORS REPORT: SOCIAL SECTOR RESTRUCTURING

RUSSIA

ENI/PCS/PAC
Program Assessment and Coordination Division
Office of Program Coordination and Strategy
Europe and New Independent States Bureau
United States Agency for International Development
Washington, D.C. 20523

Report No. 2

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Abstract

Russian society is undergoing revolutionary change under enormous stress. Poverty is widespread. Disparities have grown considerably. Demographic changes as well as health and environmental problems have been extraordinary, and generally reflect the tumultuous changes taking place in the economic sphere. Still, there are indications of recent improvements in the material standard of living of the average Russian, perceptions not withstanding. In fact, a majority of Russians appear to be adequately coping, in large part due to substantial and growing involvement in the informal economy.

Summary and Policy Implications

1. Poverty

Poverty is widespread in Russia and, by most measures, has increased significantly since the collapse of the Soviet Union. Expenditure-based estimates show 27% of Russians living in poverty. Household survey data which include informal as well as official economy activities reveal that almost one in five Russians are not "getting by."

As is the case in the European transition economies, most of the poor in Russia--roughly two out of three--come from working poor households, particularly those with young children. Children have suffered dramatically since the collapse of the Soviet Union; as many as 60% under the age of six are living in poverty.

The unemployed in Russia are also disproportionately poor, though unlike the situation in most of the CEE countries, open unemployment, while increasing, remains relatively low, perhaps 8% of the labor force. While it is commonly forecasted that open unemployment must rise significantly more for the transition to succeed, much of the labor market "adjustments" have been taking on other forms. Many workers are either not being paid fully for work completed and/or are put on short time work, or worse, involuntary leave. These adjustments were also characteristic in the early transition stage in the CEE countries.

Pensioners on average seem to be doing well relative to many other segments of Russian society, though it is likely that some of the hardest hit populations are found within this group. Roughly one-fourth of pensioners are elderly living alone, and rely largely on the non-monetized informal economy to sustain a marginal existence.

Women are among particularly vulnerable groups. In 1992, the poverty rate for elderly females was 44% higher than the corresponding rate for elderly males. Over 90% of single-parent households are headed by women, and such households are much more likely to be in poverty due in no small part to the disproportionate burden born by women from greater layoffs and lower wages. Closely coinciding with a historical trend, women's wages in 1992 averaged roughly 70% of men's. It may be as low as 40% today.

While more and more Russians are finding themselves in poverty, there is nevertheless recent evidence that the average Russian's living standard may be increasing modestly. For example, the proportion of Russians owning various durable goods such as color TVs, VCRs, and autos has increased since 1992. Still, these material improvements have coincided with perceptions among most Russians that their living conditions have been deteriorating.

In addition, a significant and growing informal economy has clearly tempered the hardships endured by many Russians. Estimates of the size of the informal economy range widely, anywhere from 10% to 40% of GDP. Even the guesses on the high side, however, may be underestimates because only one of two parts of the informal economy are typically included in the calculations--the monetized, illegal economic activities. Perhaps the most significant and fastest growing component of the informal economy is the non-monetized, legal activities (which includes growing one's own food and bartering goods and services). Reliance on the non-monetized informal economy increased from 43% of households in 1992 to 55% in 1994.

2. Inequality

Disparities have grown considerably, and with it a great deal of distrust from the average Russian about the wealthy. The average annual increase in income inequality in Russia since communism's collapse, perhaps as high as 15% to 20%, may be unprecedented in recent times. The level of income inequality today is likely comparable to that found in the most unequal economies (primarily found in Latin America). Income inequality is probably greater still when one factors in the monetized informal economy.

Regional disparities, which were significant during communism, are much larger now and continue to grow rapidly. This has been due in no small part to a fundamental trend of decentralization of government, which in turn has meant that the equalizing role of the central government through regional redistribution schemes has decreased significantly. The hardest hit regions have been the industrial oblasts with high concentrations of military firms and/or light industry, especially in central Russia and the North Caucasus. The ratio of per capita income between the Russia's wealthiest oblast to its poorest increased from 8 to 1 in 1992 to 42 to 1 in 1994. The incidence of poverty among rural households in 1993 was approximately 30% greater than that found in the cities.

3. Demography, Health, and the Environment

Recent demographic changes in Russia have been extraordinary and generally reflect the tumultuous changes taking place in the economic sphere. While many of the patterns have parallel in other European transition economies, the extent of the changes generally do not.

By most accounts, mortality rates have increased dramatically, and life expectancy, particularly for men, has plummeted. This has meant that, despite net in-migration from populations of other New Independent States (NIS), the population

in Russia declined in 1993 for the first time in the postwar period.

In 1990, Russian women were having on average 1.9 children. In 1993, this may have declined to 1.4, well below the threshold rate of 2.1 children per woman needed to replace the current population. Surveys indicate the reason for this precipitous drop is due to the uncertainties of people's economic situations.

Life expectancy for Russian men has dropped from 64.2 years in 1989 to 58.9 years in 1993, and perhaps as low as 57 years most recently. For Russian women, life expectancy in 1993 dropped to 71.9 years, down 2.6 years since 1989.

Much of the rise in adult mortality is stress-related. Close to one-half of the increase in deaths in 1993 stemmed from circulatory diseases (heart diseases and strokes), and another one-fourth was due to trauma or external causes such as accidents, murder, suicide, and alcohol poisoning.

Malnutrition among children is growing, particularly among younger children. The percentage of children under the age of two who are either wasted and/or stunted increased from 12.5% in 1992 to 17.7% in 1994.

Environmental pollution is clearly compounding Russia's health problems. There is much anecdotal evidence of enormous environmental degradation. This is occurring in the mitigating context of significantly declining economic production.

A majority of urban residents (56.6%) feel air pollution has worsened in recent years, and a large minority (42.1%) feel water pollution has been deteriorating. In contrast, a large majority of rural residents feel that both air and water pollution have remained the same.

Policy Implications

Findings from this report underscore the **need to pursue a balanced, integrative approach that includes economic and social reforms simultaneously.** Social welfare and poverty reduction hinge greatly on macro-economic stability and economic growth. There are indications that the average Russian's material living conditions may be improving, though the common perception and behavior among most Russians is quite the contrary. The pessimism and anxieties may be as much a reflection of the pervasive uncertainty about the future, than the status of current conditions. In this context, and in light of hints that the economy may be "bottoming out", credible macro-economic stabilization policies are as important as ever. In addition, while poverty reduction may require public assistance in the form of specific policy tools, such efforts will largely be in vein in an environment of an economy in turmoil.

At the same time, widespread economic re-structuring (and perhaps progress on the democratic front) will be hampered in the absence of an adequate "official" social safety net. An important aspect of this is the role of the informal economy. While informal economic activities help cushion the pain of restructuring, ultimately such activities likely slow the transition process. The non-monetized components of the informal sector in particular represent a sort of retrenchment and de-modernization. **Households** engaged in such activity **need to be encouraged to monetize their productive skills.**

In addition, **households engaged in the illegal "cash-in-hand" economy need to--perhaps more by "carrots" than by "sticks"--transfer their marketable skills to the official economy.** Tax revenues would increase, and newly-legalized businesses, with better access to capital, would have a greater capability to expand.

Poverty reduction policies first require proper identification of the poor. This in turn requires a complete assessment of official and unofficial economy activities, and the use of non-traditional indicators (such as expenditures) to complement official income statistics in the calculations.

In light of severe financial constraints, **effectively targeting assistance to the poor is imperative.** The current Russian social protection system is deficient in at least two important respects. First, the benefits intended for the poor are very low. For example, unemployment benefits average only 15% of the subsistence minimum according to the World Bank, family allowances between 1% and 8% of the average wage. Secondly, the benefits are poorly targeted. Many poor households do not receive any public benefits (30% of the "very poor" households), while close to four out of five non-poor families do.

A focus on children in particular and the working poor households which house those children needs to take a high policy priority. Various programs to protect children, such as vaccination campaigns, primary health care and school feeding programs, are very important. There needs to be **appropriate targeting by region** as well. For example, while malnutrition is a problem for both urban and rural children, each has distinctly different malnutrition problems: urban children have less access to food; rural kids less access to fundamental health care facilities.

A substantial increase in unemployment in Russia is likely (similar to the situation in the CEE countries), and **facilitating labor market adjustments in a way that minimizes social pain needs emphasis.** In general, this means increasing labor mobility. An important component is **pro-active labor re-training programs** (that is, re-training before the layoff). **Housing shortages** constrain labor mobility, and this needs to **be addressed.**

Summary Indicators Table
Quality of Life/Social Sector Restructuring in Russia

Poverty and Getting By

(1) Poverty rates
27% of households during Oct. 1993 - Feb. 1994 (expenditure-based)
21% of households in 1993 (income-based). 2%-10% prior to transition

(2) Other proxies of poverty
18% of Russians in spring 1994 not "getting by" (i.e, forced to either borrow and/or draw on savings). 29% not "getting by" in Jan. 1992

1% of households constantly without food in spring 1994
22% often if not constantly without food in spring 1994

(3) Expenditures
22% owned car or truck in Nov./Dec. 1994. 17% owned one in July/Sept. 1992

55% of household consumption on food in Dec. 1994. 64% on food in Sept. 1992

(4) The Informal Economy
78% of households in spring 1994 relied on informal economy. 65% in 1992.

(a) Monetized informal economy: 10-40% of GDP

Reliance on monetized informal: 23% of households in 1994. 22% in 1992

(b) Non-monetized informal economy: 16% of food consumption home-grown in 1994. 10% in 1992

Reliance on non-monetized informal: 55% of households in 1994. 43% in 1992

(5) Who are the Poor?
(a) Working poor, unemployed, & labor market
66% of the poor live in households where head is employed

Real ave. wages in Jan. 1995 1/2 1991 level. Real minimum wages 15% 1991 level

40% of workforce paid fully and on time in 1993 & 1994.

Over 8% of the workforce in mid 1994 were on involuntary leave, though only 2% at any one time; on ave. for one month.

4.5% to 6% of the workforce in mid 1994 were on short-time

8% open unemployment rate by end of 1994; ave duration less than 6 months

63% of households headed by an unemployed person were poor in the summer of 1993

(b) Children

Over 60% of children (aged 0-6) in Dec. 1994 in poverty. 43% poor in Sept. 1992

Almost 85% of families with 3 or more children under 6 years of age are poor

17.7% of children under 2 years were wasted &/or stunted in 1994. 12.5% in 1992

Infant mortality rate of 19.9 per 1,000 live births in 1994. 17.4 in 1990.

(c) Pensioners

Real minimum pension in Jan. 1995 is 30% 1991 level.

Real ave. pension in Jan. 1995 is 58% 1991 level

1/4 of pensioners are elderly living alone

(d) Women

Poverty rate of elderly females 44% higher than poverty rate for elderly males.

90% of single-parent households headed by females

70% of unemployed in 1992 were women

Women's wages may be as low as 40% of men's wages

Growing Inequalities

(1) Income inequality

40% to 60% cumulative increase since 1991. Gini coefficient roughly 0.40 - 0.49 in 1993 & 1994. As low as 0.26 in 1991

(2) Regional inequality

Per capita income of Russia's wealthiest oblast 42 times greater than poorest oblast in 1994. 8 times greater in 1992

Poverty incidence 30% greater in rural households than in urban in 1993

Demography and Health

9.4 births per 1,000 in 1993. 13.4 per 1,000 in 1990
14.5 deaths per 1,000 in 1993. 11.2 per 1,000 in 1990

Fertility rate: 1.4 children per woman in 1993. 1.9 in 1990

Male life expectancy of 58.9 years in 1993. 64.2 in 1989
Female life expectancy of 71.9 years in 1993. 74.5 in 1989

Stress-related deaths: almost 1/2 of the increase in deaths in 1993 due to circulatory diseases; 1/4 due to trauma (such as accidents, murder, suicide, and alcohol poisoning)

74% of males alcoholic drinkers in 1994, down from 85% in 1992. However, 136% increase in volume of alcohol consumption during this period among those men who remained drinkers

Obesity afflicts 16% of population, though fat intake declined by roughly 15% from 1992 to 1994.

Environment and Health

(1) Urban population

62% felt the air was dirty or very dirty in Dec. 1994; 37% characterized the water as such.

56.6% feel air pollution has worsened in recent years; 42.1% feel water pollution has worsened.

62% of those who suffer from chronic or frequent diseases feel that their environmental conditions are one if not primary reason for health problems.

57% would be willing to pay for better environmental conditions

(2) Rural population

27% felt air was dirty or very dirty in Dec. 1994; 15% characterized the water as such.

37% feel air pollution has worsened in recent years; 19.8% feel water pollution has worsened.

47% of those who suffer from chronic or frequent diseases feel that their environmental conditions are one if not primary reason for health problems.

46.9% would be willing to pay for better environmental conditions

List of Acronyms

BUCEN	U.S. Bureau of Census
CEE	Central & Eastern Europe
CPI	Consumer Price Index
ENI	Central & Eastern Europe & the New Independent States
GDP	Gross Domestic Product
LIS	Luxembourg Income Study
NDB	New Democracies Barometer Survey
NIS	New Independent States
NRB	New Russian Barometer Survey
OECD	Organization for Economic Cooperation & Development
RLFS	Russian Labor Flexibility Survey
RLMS	Russian Longitudinal Monitoring Survey
VCIOM	All-Russian Centre for Public Opinion and Market Research

Introduction

This report examines social indicators of development in Russia. It is the second in a series from USAID's ENI Bureau that attempts to track country progress indicators in one or more of the Bureau's three strategic assistance areas: economic restructuring; democracy building; and quality of life/social sector restructuring. The first report of May 1995 focused on social issues primarily in Poland, and Central and Eastern Europe (CEE) more generally.[1] Monitoring country progress indicators is undertaken to help make strategic decisions about when to graduate a country from assistance and how to better target existing funds.

A fundamental objective of the current report is to better understand poverty in Russia. How widespread is it? Who are the poor and why? How are they coping? In addition, we attempt to measure the enormous increases in income and regional disparities. Also examined are the extraordinary demographic changes taking place and some of the health indicators that coincide with these changes. Finally, some indicators related to health and the environment are assessed as well.

Poverty and Getting By in Russia

Household survey results from the New Russia Barometer series (NRB) indicate that at least two-thirds of Russians feel they do not earn enough to meet their everyday needs.[2] In fact, in the spring 1994, only 13% said they were "getting by" (that is, neither borrowing nor drawing on savings) with one job. Moreover, by this measure, the situation has deteriorated significantly since 1992 when more than twice the population (or 28%) reported to be getting by from primary employment. The current situation in Russia also compares unfavorably on this score with that in Eastern Europe where 24% of a sample population reported during November 1993 to March 1994 an inability to similarly get by with one job.[3] This micro scenario is found in the context of official macro-economic estimates of industrial output in Russia falling by more than 50% since 1989, a greater decline than that experienced by the U.S. during the 1930's depression.

Taken at face value, these survey results might imply that 87% of Russians are either living in poverty or confronted with the possibility of slipping into it. In fact, while some poverty estimates do approach this level, such calculations seem likely to be significantly off the mark. This is primarily because the typical coping strategy of the Russian household is one which draws on a portfolio of economic activities from both the official economy as well as often-times unrecorded activities of the informal economy. This strategy began by necessity during

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communism and has grown dramatically in importance since communism's collapse.

When participation in both the official and unofficial economies are taken into consideration, slightly more than four out of every five Russians (or 82%) reported in the spring 1994 that they were getting by. Furthermore, by this measure, the situation has been improving at least since January 1992. At that time, 71% responded that they were adequately coping.

Not surprisingly, poverty statistics based only on official economy income tend to reveal poverty levels somewhat higher than what the survey data would suggest. According to current official Russian estimates, roughly one in three Russians are living in poverty.[4] Expenditure-based estimates of poverty, which are more likely to capture informal economy activity, show a poverty rate somewhat lower: according to data from the Russian Longitudinal Monitoring Survey (RLMS), 27% of Russian households during October 1993 to February 1994 were living in poverty.[5]

One World Bank study estimates a poverty rate which is lower still, and one which comes close to the percentage of Russians not getting by: 21% in 1993.[6] According to this study, poverty in Russia has increased dramatically from 2% in 1987-1988. Current poverty in Russia is likely much higher than in Central Europe where the poverty rate on average may be closer to 10%, though not much higher than the population-weighted average of 18% in 1993 for all the countries of Central and Eastern Europe and the New Independent States (ENI).[7]

The poor do not remain in poverty long. There is, in other words, a high turnover between those who enter poverty and those who leave it behind. This could be explained if poverty in Russia was "shallow; that is, characterized by a disproportionate concentration of households around the poverty line, as presumably is the case in many Eastern European countries. However, data seem more likely to support the hypothesis that significant, frequent, and often short-lived shocks--both positive (e.g., a highly profitable entrepreneurial venture) and negative (e.g., a job loss or involuntary unpaid leave)--explain the high turnover.

Getting By With Little Satisfaction: Expenditures

Getting by in Russia does not mean living comfortably. Most Russians are economizing; doing without is often necessary. In fact, a substantial majority say they are dissatisfied with their standard of living, and feel that it has been deteriorating. Seventy-seven percent in spring 1994 said that their economic situation was either "very bad" or "not very good"; 65% felt it was better in 1989. In addition, uncertainty about the future is

pervasive. When asked if the family's economic situation in five years was likely to be better, worse, the same, or difficult to answer, nearly one in two (or 47%) of March 1994 NRB survey participants responded with the last option.

Still, while belt tightening is widespread, severe deprivation is not. This is evident in *Table 1* below. Only 1% of the households has constantly had to do without heat or food in 1994; only 4% constantly without medical treatment; and 7% constantly without clothing. The proportion of Russians constantly without essentials is likely as low as it is in the United States.

However, 22% of Russian households must often if not constantly do without food; 41% without clothing; 49% without household repairs; 43% without newspapers; and 59% without cinema or theater. For many, life is nevertheless very difficult.

Still, there is some evidence from expenditure data from the RLMS that Russian living standards at least on average have improved since 1992. Specifically, ownership of certain durable goods (*Table 2*) has increased from July-September 1992 to November-December 1994. For example, the proportion of the Russian population owning color televisions increased from 55% to 63%; VCR ownership increased from 3% to 14%; autos from 17% to 22%; and country houses and/or country gardens from 19% to 30%. The levels are low by OECD standards of course, as well as by those in CEE, though the trends are encouraging.[8]

In addition, the share of food in household consumption, while still very high, has decreased some, which may reflect an increase in well-being (*Figure 1*). From September 1992 to December 1994, food consumption (expenditures plus home-grown) decreased from 64% of household consumption to 55%. Note the sizable and growing proportion of home-grown food, an important coping component from the informal economy. As a percentage of total household food consumption, home-grown food has increased from 10% to 16% in little more than two years.

Coping and the Informal Economy[9]

Russians are likely coping in much the same way people of other transition economies are coping. They are, for example, having much fewer children (see **Demography and Health** below). They may be living together in larger households. Many--perhaps 40% of Russian households--participate in inter-household transfers of cash and goods. Of those who receive them, such transfers may comprise 20% of total household income.[10]

On a psychological level, and as indicated by survey data,

many Russians are also coping by scaling down expectations; most seem to be approaching the transition with an eye towards minimizing dissatisfaction, rather than trying to maximize pleasure or consumption or wealth.

This defensive attitude is portrayed in the primary economic strategy among Russian households which entails diversification into both the official economy and the informal economy, particularly the non-monetized informal economy activities. Such informal economy activities include growing one's own food, doing one's own home repairs, bartering services with family and friends (and friends of friends), and queuing.[11] In the spring 1994, 43% of Russian households engaged in such a "defensive" portfolio (*Figure 2*).

Another 23% of Russian households has been diversifying albeit in a more offensive or "enterprising" manner. That is, they have been relying jointly on both the official economy and the monetized, illegal component of the informal economy. Such informal economy activities include working or hiring "under the table", or paying or receiving bribes.

The remaining Russian households have so far largely failed to diversify. Twelve percent of the Russian population have engaged in a "marginal" strategy, existing almost exclusively in the informal economy world of non-monetized exchanges. Finally, only 22% of Russian households (as of spring 1994) have remained "vulnerable" in the sense that they rely primarily on the official economy for their well-being and are exposed to future economic restructuring.[12]

What is striking in the changes in Russian household portfolios from 1992 to 1994 is the significant growth in the reliance on the informal economy, particularly the non-monetized informal economy. Overall reliance on the informal economy increased from 65% of households in 1992 to 78% in 1994. Most of this was the result of initially vulnerable households diversifying into a defensive portfolio.

Figure 3 provides some basis for comparison with other transition economies. As in Russia in 1994, the dominant household portfolio in Czechoslovakia and Bulgaria in 1991 combined official economy activities with the non-monetized informal economy (i.e., "defensive"). In contrast to Russia (and Czechoslovakia), proportionately more Bulgarian households in 1991 relied primarily if not solely upon the non-monetized informal economy ("marginal"). This may be a reflection of Bulgaria's relatively higher unemployment rate (and could be an indication of what is to come in Russia). Significantly more Czechoslovakian households, in contrast to Russia (and Bulgaria), relied in 1991 on both the official economy and the illegal

informal economy ("enterprising"). This in turn may be a reflection of Czechoslovakians' relatively higher income which is needed to fuel the "cash-in-hand" informal economy.

Ideally, we'd like to be able to measure all aspects of the informal economy in monetized terms and assess how different segments of society are benefiting in these terms. In this way, we can re-examine more systematically the issues of poverty and income distribution by combining income data from the official as well the informal economies.[13] World Bank estimates suggest informal sector activity could add between 10% to 15% to Russian GDP. Other sources cite a significantly higher percentage, ranging from 25% to 40%. These figures of course will be an underestimate if the large and growing non-monetized aspects of the informal economy are excluded.

Who are the Poor?

Table 3 below provides some initial clues as to who is participating in and benefiting from the various aspects of both the informal and official economies. One important tentative conclusion is that the monetized part of the informal economy is likely not helping the poorest segments of Russian society to any great extent. In particular, "enterprising" households tend to consist of individuals who are better off than the average Russian, and are more likely to be relatively educated, younger, male, and live in a city (most likely Moscow or St. Petersburg).

In contrast, many from the "marginal" population are likely living in poverty. Individuals from these households are relatively less educated, older, more likely to be female, slightly more likely to live in rural areas, and generally worse off than the others. Many in this group, in other words, are likely to be single household female pensioners, a group which tends to be disproportionately at-risk across the ENI countries during the transition.

It is interesting to note that those who comprise the defensive and vulnerable households come close on virtually all accounts (access to land being the exception) shown in *Table 3* of resembling the national average. They are neither particularly relatively younger or older; more educated or less educated; better off or worse off than the average Russian.

What is needed is further disaggregation of the these household portfolios to more precisely determine the composition of the poor. In general, we know that the poor throughout the transition economies tend to be found primarily in one of a handful of sometimes overlapping groups: the working poor (families with children in particular), the unemployed, single-

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household pensioners, and women.

1. The Working Poor, the Unemployed and the Labor Market[14] As is the case in the European countries in transition, most of the poor in Russia--roughly two out of three--come from working poor households. In addition, as elsewhere in the transition economies, the unemployed in Russia are among the hardest hit. According to RLMS data, 63% of households headed by an unemployed person were poor in the summer of 1993, more than twice the national average by RLMS calculations.

However, in contrast to the labor market conditions found in most of the CEE countries, Russia's substantial decline in output has not yet been accompanied by a substantial increase in open unemployment.[15] Registered unemployment, which we know underestimates the true rate, remains around 2% of the workforce. Labor force surveys estimate the unemployment rate as high as 8% by the end of 1994, still low by CEE standards (and Western European standards as well). Also in contrast to the economies of CEE and many industrial economies, unemployment in Russia so far remains a relatively short term phenomenon--less than 6 months on average in late 1994.

The feeling is widespread that the labor market situation is unsustainable; that unemployment will have to increase significantly if the restructuring towards a market economy is to continue. Results from the Russian Labor Flexibility Survey (RLFS) may foreshadow future labor market developments.[16] Sixty-three percent of factory employers questioned in 1992 in the industrial areas of the Moscow region and St. Petersburg felt they could produce existing output levels with fewer workers; on average, 18% fewer workers. The larger is the enterprise, the greater the layoffs would be possible without adversely affecting output, it was felt.

Still, certain alternative "adjustments" have been taking place in lieu of open unemployment. These labor market adjustments have in essence spread some of the pain of adjustment--among the working poor and away from the potentially unemployed.

The first adjustment is pay adjustments or arrears. In this instance, workers remain employed though receive partial and/or deferred payment for their efforts. Arrears are widespread. During 1993 and 1994, according to the VCIOM survey, only 40% of the workforce was being paid fully and on time.[17]

This means that reported wages often exceed actual wages, particularly so in 1994 when arrears totalled over 10% of the wage bill. Furthermore, this is in the context of dismal trends

in reported real wages, which in turn are one manifestation of how high inflation has been adversely affecting the working poor. Real average wages by January 1995 were one-half what they were just prior to the extensive price liberalization in early 1992, though only 14% below the 1987 real wage level.

Real minimum wage trends have been much more drastic. January 1995 minimum wages were 15% the level in the fourth quarter 1991, and slightly lower still than the 1987 real minimum wage level.

The second type of labor market adjustment common in Russia is work hours adjustments. Here, workers are paid for the work that they do, though less work is offered. This can take two forms: involuntary leave and/or short time work. Involuntary leave--so-called hidden unemployment whereby the enterprise pays the social insurance by maintaining important nonwage benefits--is the more critical. Perhaps as many as 8% of the workforce in mid 1994 was on involuntary leave, though in some regions this proportion may have been as high as 16%. However, at any one point in time, the proportion on involuntary leave was likely much lower; perhaps closer to 2%.[18] The average leave increased to about one month by the first quarter of 1994.

Estimates of employees in 1994 on short time work range from 4.5% to 6%, though again regional differences are large as well as differences across sectors. Up to as many as one in four workers in the industrial sector could be affected by short time work.

As in other transition economies, there seems to be a close tie between education and poverty. In summer 1993, households whose heads had an unfinished secondary or primary education only were at least 20% more likely to be poor than those with heads with university education.

2. Children. The largest sub-group of working poor is households with children, particularly single-parent and young households. Hence, an important predictor of poverty (and an important characteristic absent in *Table 3*) is family size and composition. In fact, as a general rule, the younger and more numerous the children, the greater is the likelihood that the family is poor. Almost 85% of families with three or more children under six years of age are poor.

Children, in other words, have suffered dramatically and disproportionately since communism's collapse. In terms of poverty incidence by age groups, they are the most vulnerable. Milanovic (1995) estimates that poverty among children in Russia is roughly 25% higher than the national poverty rate. The RLMS

estimates a rate higher still: over 60% of all children (aged 0-6) in December 1994 found themselves in poverty households; a significant increase from the 43% of children in poverty in September 1992.[19] This poverty among the children has manifested itself in various health indicators (such as diet measures shown below).

3. Pensioners. While pensioners on average seem to be doing well relative to many other segments of Russian society, it is likely that some of the hardest hit populations are found within this group. This seems to be a general trend throughout much of the transition economies.

In particular, the overall poverty rate among old-age pensioners is likely below the national average; roughly 14% less according to Goskomstat data for fall 1993. In addition, while average and minimum pensions have deteriorated significantly since 1991, this deterioration has not been as great as that experienced by wage-earners. Real minimum pensions in January 1995 were 30% the level at the end of 1991; minimum wages were 15%. Real average pensions were 58% of the level in 1991; average wages were 51%.

However, the average pensioner's well-being likely masks large variation. Approximately 20% of pensioners also hold jobs and are no doubt pulling up the income average. At the other end, roughly one-fourth of pensioners are elderly living alone, and, as previously discussed, likely having to rely largely on the non-monetized informal economy to sustain a marginal existence.

4. Women. Women figure disproportionately among the populations most at-risk during transition. This is not a new phenomenon in Russian society, though it seems clear that women's economic and social situation on balance has deteriorated significantly since communism's collapse.

Women comprise at least two particularly vulnerable groups. One, roughly two-thirds of pensioners are women. This asymmetry is a common denominator throughout the European NIS, and is largely a legacy of WWII as well as current higher male mortality rates. According to 1992 RLMS data, the poverty rate for elderly females (aged 55 and over) was 44% higher than the corresponding rate for elderly males.

Two, over 90% of single-parent households are headed by women, and such households are much more likely to be in poverty. This is in part due to the disproportionate burden born by women in terms of layoffs and wages. Both of these in turn are a reflection of the significant occupational segregation by gender

still found in Russia.

In particular, the early stages of the transition witnessed a much higher proportion of women unemployed: of the registered unemployed in 1992, up to 70% were women. The first to be laid off were largely clerical and auxiliary workers, and these jobs have primarily been filled by women.

Similarly, women's work has traditionally paid less. RLMS data suggest that women were earning 71% less than men during the summer of 1992. This roughly coincides with the historical trend in Russia. According to the Moscow Centre for Gender Studies (as reported in the *Economist*, August 12, 1995, p. 45), the gender wage gap has since plummeted to 40%. The growing gender wage gap is occurring despite a relative boom in the traditionally "feminized" service sector. Services in fact increased from 31% to 50% of GDP between 1989 and 1994.

Finally, the gender division of labor between home (and child-care) and participation in the official economy seems to be particularly burdensome for many Russian women, perhaps particularly for those in poor households. RLMS data show women in very poor households to be spending 83 hours per week between child-care (37 hours), home upkeep (33 hours), and official employment (13 hours). In contrast, men in such households report working 45 hours a week: 25 hours on the job, 14 hours on child-care, and 6 hours doing housework. Perhaps some of the lopsided work-load can be explained by unreported time by men spent in the illegal cash-in-hand economy.

5. Other Critical Groups. There are other groups which are small in number though likely are among the most adversely affected during the transition. This includes the homeless and de-institutionalized, recent refugees and migrants, and the disabled. In 1993, RLMS data estimated that households with one or more disabled members had a poverty rate of 35%; much higher than the national average of 27%. There is much anecdotal evidence on growing homelessness in major urban areas in particular.

Growing Inequalities

Disparities have grown tremendously. This is less of a societal problem if most of the inequalities stem from wealth creation rather than growing absolute impoverishment, and this may be the case in Russia. Still, there is a great deal of distrust about wealth creation. Seventy-one percent of those polled in the NRB II survey in June-July 1993 agreed with the statement that people who make a lot of money take advantage of

other people; 56% agreed that the wealthy are dishonest; and 67% disagreed with the idea that the wealthy help make the Russian economy grow. Below, we examine disparities by income and by region.[20]

Income inequality

Income inequality in Russia is among the highest in the world. Its recent rate of increase may be unprecedented anywhere in recent times; the cumulative increase since communism's collapse may range from 40% to 60%.

By gini coefficient measures, Russia's inequality is comparable to the highly unequal Latin American economies. RLMS data show a gini coefficient of 0.49 for Russia by the end of 1993. VCIOM data show a gini of 0.46 in March 1994. RLMS data show a six point gini coefficient increase in little more than a year: from summer 1992 to the end of 1993. By comparison, this is comparable to what Poland experienced yet over a five year period. Official Russian Goskomstat data understates income inequality because of the exclusion of both the upper and lower income groups. Nevertheless, such data estimate an extraordinary 14 point increase in the gini from 1991 to third quarter 1994 (from 0.26 to 0.40).[21]

It may be that income inequality is even greater still when the monetized informal economy is taken into account. As was observed above, this part of the informal economy likely benefits more the wealthier segments of the population. However, a broader measure of the distribution of well-being would need to account for the non-monetized part of the informal economy as well, and this sector could very well serve as an equalizing element. Private inter-household transfers likely help equalize the income distribution as well.

Regional inequalities

Regional disparities, which were significant during communism, are much larger now and continue to grow rapidly. Some of this is due to a dramatic decline in federal resources, itself largely a result of rapid and extensive government decentralization.

Overall, the regional winners are those in the resource rich areas in the East and the major cities. The hardest hit regions have been the industrial oblasts with high concentrations of military firms and/or light industry, especially in central Russia and the North Caucasus. The decline in income in several of the regions of North Caucasus--particularly the Republic of Dagestan and Kabardino-Balkarskaya--are reportedly alarmingly

severe. War-torn neighboring Chechenia and Ingushetia Republics are likely suffering greatly as well.

The ratio of per capita income between the Russia's wealthiest oblast to its poorest increased from 8 to 1 in 1992 to 42 to 1 in 1994. National averages of a variety of indicators mask wide regional variations. Registered unemployment in early 1994, for example, was close to 2%, though in some regions was exceeding 10%. Widespread variation shows up in underemployment measures as well, as previously noted in statistics in short-time work and involuntary leave in particular. Regional disparities in life expectancy, mortality, and infant mortality are also growing.

As seems to be generally true throughout the transition economies, urban dwellers in Russia, who constitute roughly three-quarters of the population, are faring better than their rural counterparts. The incidence of poverty among rural households in 1993 was approximately 30% greater than that found in the cities. Households whose head works in forestry and agriculture have a poverty rate roughly 60% and 40% respectively above the national average. The lowest poverty rate by sector is found among households of government employees.

Demography and Health

Recent demographic changes in Russia have been extraordinary and generally reflect the tumultuous changes taking place in the economic and social spheres. While many of the patterns have parallel in other European transition economies, the extent of the changes generally does not.

By most accounts, birth and fertility rates have fallen dramatically in recent years, mortality rates have increased dramatically, and life expectancy, particularly for men, has plummeted. This has meant that, despite net in-migration from populations of other NIS, the population in Russia declined in 1993 for the first time since WWII.

The crude birth rate fell from 13.4 births per 1,000 population in 1990 to 9.4 births in 1993.[22] In contrast, the crude death rate rose from 11.2 deaths per 1,000 population in 1990 to 14.5 deaths in 1993. This translates into a 1993 "natural" population decrease (that is, excluding population changes from migration) of -0.5%. Among the NIS, only Estonia, Latvia, and Ukraine approximate this decrease which may be the lowest in the world.

By most accounts, Russian women are having far fewer children today than in recent years. While fertility rates across the NIS had been declining prior to the collapse of the Soviet

Union, in most of these economies (as well as in many CEE countries), the transition period has witnessed an acceleration in this decline (*Figure 4*). This appears to be particularly true in Russia, as well as in Estonia and Latvia. In 1990, Russian women were having on average 1.9 children; in 1993, this may have declined to 1.4.[23] This current rate is well below the threshold rate of 2.1 children per woman needed to replace the current population. It is important to note that there may be indications from preliminary 1994 data, however, that birth rate trends are stabilizing.

Russian women are having fewer children because of economic hardships and uncertainties about the future. According to VCIOM survey data, seventy-five percent of Russian women in 1992 cited insufficient income as a reason for abstaining from having further children, while only 2% cited interference with career or education plans as factors discouraging childbearing. In addition, Russian households would likely have more children if economic conditions improved. In 1992, Russian couples "desired" on average 2.0 children, yet "expected" only 1.3. In fact, reflecting the uncertainties and pessimism, only 15% of Russian women said they would carry an unplanned pregnancy to term in 1992, down from 23% in 1991.

While abortion is common in Russia, there is indication from 1994 RLMS survey data that abortion rates are falling and hence may not be as high as is commonly believed. Women in their 40s report an average of 3 to 3.5 abortions over their lifetimes. However, women ages 20 to 49 report having an average of 6 abortions per 100 women. This average translates into 1 to 2 abortions per woman over a lifetime.

Mortality has increased sharply in most of the NIS since the collapse of the Soviet Union, and particularly in Russia. Life expectancy rose for virtually all the NIS in the 1980s; since 1989, it has decreased for most. This trend is more evident in the case of male life expectancy, and no more extreme than in the case of Russian men whose life expectancy has plummeted from 64.2 in 1989 to 58.9 in 1993 (*Figure 5*). A recent report from the Russian labor ministry calculates male life expectancy now to be 57 years.

For Russian women, life expectancy in 1993 dropped to 71.9, down 2.6 years since 1989. This makes the current male-female life expectancy gap in Russia to be around 13 years which may be the largest of any country of the world.

According to Russian government sources, infant mortality increased from 17.4 per 1,000 live births in 1990 to 19.9 in 1994. If the more standard World Health Organization methodology were used, the current infant mortality rate would probably be

closer to 25 to 27 per 1,000. By comparison, the infant mortality rate increased in virtually all the other NIS during the 1990s. The rates tend to be lower in the other slavic countries (Moldova the exception) as well as in the Baltics; and are much higher in Central Asia (47.0 in Tajikistan in 1993 is probably the extreme). The infant mortality rates in the high income OECD countries are closer to 7 per 1,000.

Much of the rise in adult mortality is due to stress-related factors (*Figure 6*). Circulatory diseases (heart diseases and strokes) are the largest causes of death in Russia. The incidence of such diseases in Russia is very high by international standards; two times higher than in the U.S., and three times that in Japan. Close to one-half of the increase in deaths in 1993 stemmed from such diseases.

The other stress-related cause is trauma or external causes such as accidents, murder, suicide, and alcohol poisoning. Russian deaths from these causes are four times Western levels and are increasing rapidly. Over one-fourth of the increase in deaths in 1993 was due to such causes.

Alcoholic drinking has probably contributed indirectly if not directly to many deaths. In general, the number of Russians who drink alcoholic beverages has declined some in recent years, though those who do drink, particularly men, are drinking more. According to RLMS data, the percentage of males who drink fell from 85% to 74% and from 59% to 45% for females between September 1992 and December 1994. However, there was a 136% increase in the amount of grams of alcohol consumed by those males who have continued to drink during this period, and a 71% increase among their female counterparts.

As with drinking, many more men smoke than do women. Almost 60% of men smoke, while less than 10% of women do. The proportion of men smoking has changed little between 1992 and 1994. For women, there has been a relatively large increase of 25% in the percentage of smokers, though this change occurs from a relatively small number of smokers. There has been no noticeable change in the number of cigarettes smoked per day among either women or men smokers.

Many of the dietary concerns among adults in particular stem from excessive fat intake and obesity. The World Bank estimates obesity at around 16% of the population. It is more prevalent among women and among the rural population. The RLMS finds the percent of energy derived from fat intake for the population as a whole in 1994 to be high: two to three percentages above a standard recommended level of 30%. However, the percent of energy from fat has fallen since 1992 for all age-groups.

Malnutrition among children is growing and particularly among younger children. The percentage of children under the age of two who have considerably lower weight for their age (wasted) and/or have considerably lower height for their age (stunted) has increased from 12.5% to 17.7% from 1992 to 1994. For children aged two to six, this proportion has increased slightly from 14.2% to 15.5%.

There are some striking disparities in malnutrition between urban and rural children. RLMS 1992-1993 data reveal that urban children are more likely to experience wasting, and rural children are more likely to experience stunting. This discrepancy could be explained by easier access to food in rural areas since communism's collapse, alongside more longstanding problems such as poorer access to medical care, and poorer infrastructure, especially water quality and sanitation.

Environment and Health

Environmental pollution is clearly compounding Russia's health problems. There is in fact much anecdotal evidence of enormous environmental degradation; of local or regional environmental disasters.[24] In addition, it is important to bear in mind that the pollution has been occurring in the mitigating context of significantly declining output.

While assessing the trends on a national level and linking these trends to health is very difficult, the RLMS has made some inroads in this regard. In general, Russians perceive air pollution to be a much greater problem than water pollution, and both types of pollution are much worse in urban than in rural areas (*Figure 7*). Well over half (62%) of Russia's urban population in December 1994 felt that the air was either very dirty or dirty, while 37% percent characterized the water as such. The percentage of urban respondents who felt the air and water were clean or very clean was much lower (9.2% and 18.2%, respectively).

Perceptions about pollution, particularly water pollution, are much less negative among the rural population. Twenty-seven percent felt the air was dirty or very dirty; 15% characterized the water as such. A much larger proportion of rural residents felt the air and particularly the water were clean or very clean.

A majority of urban residents (56.6%) feel air pollution has worsened in recent years, and a large minority (42.1%) feel water pollution has been deteriorating (*Figure 8*). In contrast, a large majority of rural residents feel that both air and water pollution have remained the same. Still, there are very few in rural areas who claim pollution has gotten better, and many more

who feel it has deteriorated.

Almost one-half of the population suffer from chronic or frequent diseases. Of those in the cities who do, 62% feel that their environmental conditions are one of the reasons if not the primary reason for their health problems. Among the rural counterparts, 47% feel similarly. Perhaps partly as a result, more urban residents (57.6%) would be willing to pay for better environmental conditions than rural citizens (46.9%).

Concluding Observations

The cumulative picture from the indicators above is that of a society undergoing revolutionary change under enormous stress. This does not, however, mean that the average Russian is in desperate straits. On the contrary, a large majority of Russians are coping adequately (with substantial involvement in the informal economies). The fact that a relatively large percentage of people are willing--and presumably able--to help pay for better environmental conditions may be partly illustrative of this.

Furthermore, there are indications of improvements in material standards of living of the average Russian. Yet, these improvements are occurring in the context of a tremendous growth in disparities, a great deal of poverty, unprecedented demographic upheavals and social problems, and tremendous uncertainty about the future. Even if the macro-environment were soon to turn around, this remains a very crucial period for Russia. While it is certainly true that foreign donors can only play a minimal role in affecting the outcome, there should be no doubt that that role can be pivotal.

Endnotes

1. The Program Assessment and Coordination Division also updates semi-annually economic indicators across the transition economies. For the most recent update, see: USAID ENI/PCS/PAC, *Recent Economic Developments in Central Europe and the New Independent States* (May 1995).

2. The New Russia Barometer survey is an annual nationwide sample survey of Russians developed by the Centre for the Study of Public Policy, University of Strathclyde, Glasgow under the direction of Richard Rose and organized by the Paul Lazarsfeld Society, Vienna. The third and most recent survey, the NRB III, took place in March-April 1994 and consisted of interviews with a representative sample of 3,535 Russians. These data are also supplemented by an overlapping annual survey series, the New Democracies Barometer (NDB), similarly organized by the P. Lazarsfeld Society and directed by R. Rose. The NDB series includes countries in Eastern Europe.

For sample results and analysis of those results, this report drew from the following: R. Rose (1994a), "Getting By Without Government: Everyday Life in Russia," *Daedalus* 123 (Summer 1994): 41-62; R. Rose (1994b), "Postcommunism and the Problem of Trust: Rethinking Civil Society," *Journal of Democracy* 5 (1994): 18-30; R. Rose & Christian Haerpfer, *New Russia Barometer III: The Results*, Studies in Public Policy no. 228 (Glasgow: University of Strathclyde, 1994); R. Rose, Irina Boeva & Viacheslav Shironin, *How Russians Are Coping with Transition: New Russia Barometer II*, Studies in Public Policy no. 216 (1993); and R. Rose, *Divisions and Contradictions in Economies in Transition: Household Portfolios in Russia, Bulgaria and Czechoslovakia*, Studies in Public Policy no. 206 (1992).

3. Figures on Eastern Europe are reported in IMF, *World Economic Outlook* (Washington, DC: October 1994), Table 17, p. 84, and drawn from the NRB and NDB household survey series.

4. 47 million Russians or almost one-third of the Russian population were below the poverty line (or earning less than the minimum monthly subsistence wage set at 260,000 rubles in Moscow and 195,000 rubles elsewhere) in May 1995 according to Goskomstat. *OMRI Daily Digest I*, No 125 (June 28 1995).

5. The Russian Longitudinal Monitoring Survey draws on a five nationally representative surveys (or "rounds") of Russia implemented from September 1992 to December 1994. It is a collaborative effort between various Russian government agencies (the Russian State Statistical Bureau or Goskomstat being a

primary one) and a University of North Carolina team (Barry Popkin, PI) which has served to coordinate the project. Funding has come from USAID, as well as the World Bank, NSF, and NIH.

This report draws primarily on RLMS' most recent reporting of survey results found in three volumes: (1) (RLMS 1995a), *Monitoring Economic Conditions in the Russian Federation: RLMS 1992-94* (University of North Carolina at Chapel Hill, March 1995); (2) (RLMS 1995b), *Monitoring Health Conditions in the Russian Federation* (March 1995); (3) (RLMS 1995c), *Family Planning and Abortion in the Russian Federation* (March 1995). RLMS data are also drawn from the World Bank, *Poverty in Russia* (June 1995) which extensively taps RLMS data up to and including Round 4.

6. Branko Milanovic, *Poverty, Inequality and Social Policy in Transition Economies* (Washington, D.C.: World Bank, 1995). Milanovic calculates the poverty rate as the proportion of the population below a poverty line of $120 per month per capita at 1990 international prices.

7. Poverty rates are further disaggregated by ENI subregions in USAID ENI/PCS/PAC, *Country Progress Indicators Report: Social Sector Restructuring in Poland*, No. 1 (May 1995).

8. For comparison, 50% of the households in Slovakia in 1994 owned a car, and 79% a color TV. R. Bednarik, J. Filipova, & S. Valna, *Slovakia*, prepared for LIS/AID/Census Bureau Conference on Economic Hardship and Social Protection in Central and Eastern Europe, July 1995, Luxembourg.

9. This section draws primarily from the analysis found in Rose (1994a and 1992).

10. D. Cox, Z. Eser, and E. Jimenez, *Family Safety Nets During Economic Transition: A Study of Inter-household Transfers in Russia*, Conference on "Economic Transformation--Households and Health," Task Force on Economies in Transition, National Academy of Sciences/National Research Council, Washington, DC, September 7-8, 1995. Cox et al. draw on first round RLMS data.

11. While Russians are queuing less than in recent years, it likely remains a significant activity. Twenty-three percent of households reported in spring 1994 in the NRB III survey that at least one family member spends at least one hour a day queuing for shopping.

12. These categories obviously suffer to some degree of subjectiveness. A primary difficulty lies in defining reliance; another in getting respondents to be accurate about their illegal informal sector activities. Survey respondents were asked to rank the two most important economic activities for their families,

and given a list of 10 possible answers. Each of these answers correspond either to participation in the official economy (primarily, an official job or pension), the non-monetized legal informal economy (growing one's own food, e.g.), or the monetized illegal economy (primarily, earnings from a second job or incidental earnings). The four household portfolio categories were created and the proportion of Russians in each category was calculated on the basis of these answers.

13. A more systematic effort to measure in monetary terms the informal economy's size and its impact on the poor in Eastern Europe is being undertaken as part of a series of reports commissioned by ENI/PCS/PAC from the U.S Bureau of the Census in collaboration with the household survey data of the Luxembourg Income Study Project.

14. This section and those on poverty groups that follow draw much from World Bank, *Poverty in Russia: An Assessment*, Human Resources Division, Europe and Central Asia Country Department III (Washington, DC: World Bank, June 13, 1995) and its supporting documents.

15. The interesting exception to the high unemployment tendency in Eastern Europe is the Czech Republic; a country with a 1994 open unemployment rate of roughly 3% and an apparent serious labor hoarding problem. See, e.g., U.S. Bureau of the Census, *Populations at Risk in Central and Eastern Europe: Employment and Unemployment*, 2nd quarterly report, Commissioned by ENI/PCS/PAC, February 23, 1995.

16. G. Standing, "Employment Restructuring in Russian Industry," *World Development*, Vol. 22 (1994): 253-260.

17. The VCIOM survey results are based on nationally representative samples of 2,935 individuals in March and October 1994. Some of these results are found in World Bank (June 1995).

18. R. Layard and A. Richter, *How Much Unemployment is Needed for Restructuring?: The Russian Experience*, Discussion Paper No. 238, Centre for Economic Performance, London School of Economics, May 1995.

19. Due to household economies of scale, it is generally recognized that "weighting" children less than the adults in a household gives a more accurate picture of household needs than equal weights. The RLMS figures apparently derive from the latter technique, and this results in an overestimation of the extent of poverty encountered by children. For elaboration, see, for example, World Bank (June 1995), p. 17.

20. Part of the recent recorded growth in disparities is a result of being able to better measure it. There is, in other words, greater transparency between wealth and poverty in a market economy relative to a command economy. This in turn stems from a greater role for money in determining well-being, and a lesser role for in-kind benefits.

21. Centre for Economic Reform, Government of Russian Federation, *Russian Economic Trends 1994*, vol. 3, no. 3.

22. These figures and many which follow are drawn from C. Haub, *Population Change in the Former Soviet Republics*, Population Reference Bureau, Vol. 49, No. 4, December 1994.

23. While several credible sources confirm this most recent fertility rate, one does not. RLMS data reveal a modest decline in fertility rates from 1.75 in 1992 to 1.67 in 1994.

24. See, e.g., J. Mathews, "Dearth of a Nation," *Washington Post*, January 31, 1995 (Section A, op-ed), and M. Feshbach, "The Russian Health Crisis: Declining Mortality Rates," *Current*, September 1993, No. 355, pp. 21-22.

Table 1. The Extent of Belt Tightening by Russians in 1994
(Percentage)

	Never	Rarely	Often	Constantly
Percentage of households that has had to do without:				
Heating	91%	6%	2%	1%
Food	43	35	21	1
Medical treatment	68	18	9	4
Clothing	22	37	34	7
Gas for car	76	7	6	11
Household goods	18	34	35	13
Newspapers	35	21	19	24
Household repairs	29	22	23	26
Cinema, theater	16	12	16	43

Source: Rose (1994a) drawing from NRB III, March-April 1994.

Table 2. Russians' Ownership of Durable Goods and Assets
(Percentage)

	July/Sept. 1992	Nov./Dec. 1994
Television (Black & White)	53.7%	53.3%
Television (Color)	54.6	62.5
VCR	3.1	13.6
Car or truck	16.5	21.8
Refrigerator	93.0	92.9
Washing machine	76.6	79.4
Dacha*	17.8	29.7

Source: RLMS (1995) drawing from Rounds 1 and 5.
*Dacha includes country house or country garden.

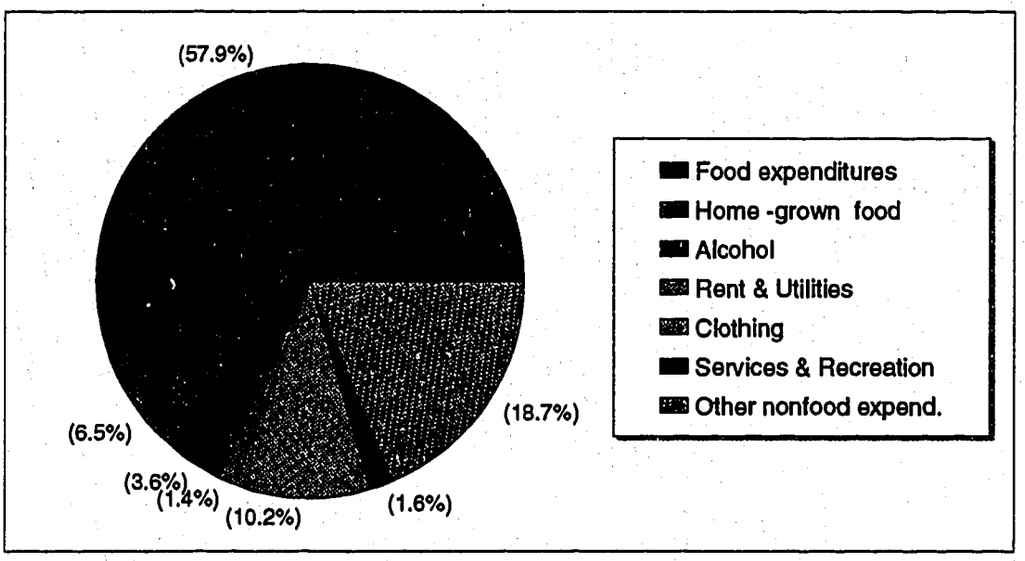
Table 3. Characteristics of Russian Household Portfolios
(Percentage; + or - from national mean in parentheses)

	Enterprising	Defensive	Vulnerable	Marginal
Better educated (vocational or better)	91%(+13)	78%(+0)	78%(+0)	50%(-28)
Younger (under 40)	71 (+21)	49 (-1)	49 (-1)	14 (-36)
Female	45 (-11)	56 (+0)	56 (+0)	75 (+19)
Urban	59 (+13)	46 (+0)	46 (+0)	42 (-4)
Access to Land	NA	75 (+21)	37 (-17)	52 (-2)
Well being:				
Getting by	67 (+5)	60 (-2)	63 (+1)	57 (-5)
Future prospects: good or improving	63 (+19)	38 (-6)	41 (-3)	35 (-9)
Car Ownership	24 (+4)	25 (+4)	17 (-4)	14 (-7)

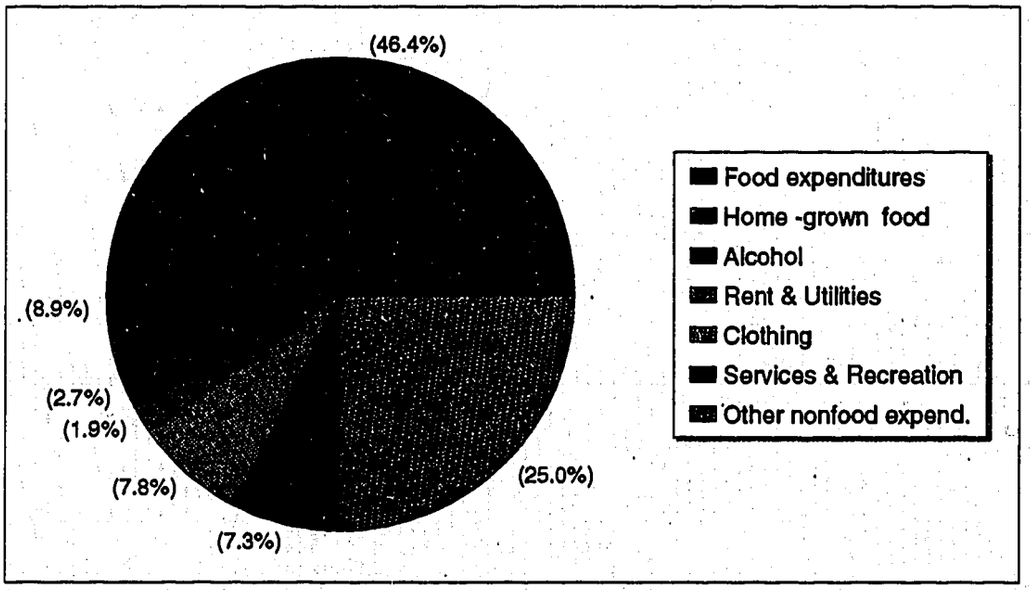
Source: Rose (1992) drawing from NRB I 1992.

FIGURE 1: Distribution of Russian Household Consumption
(Percentage)

September 1992

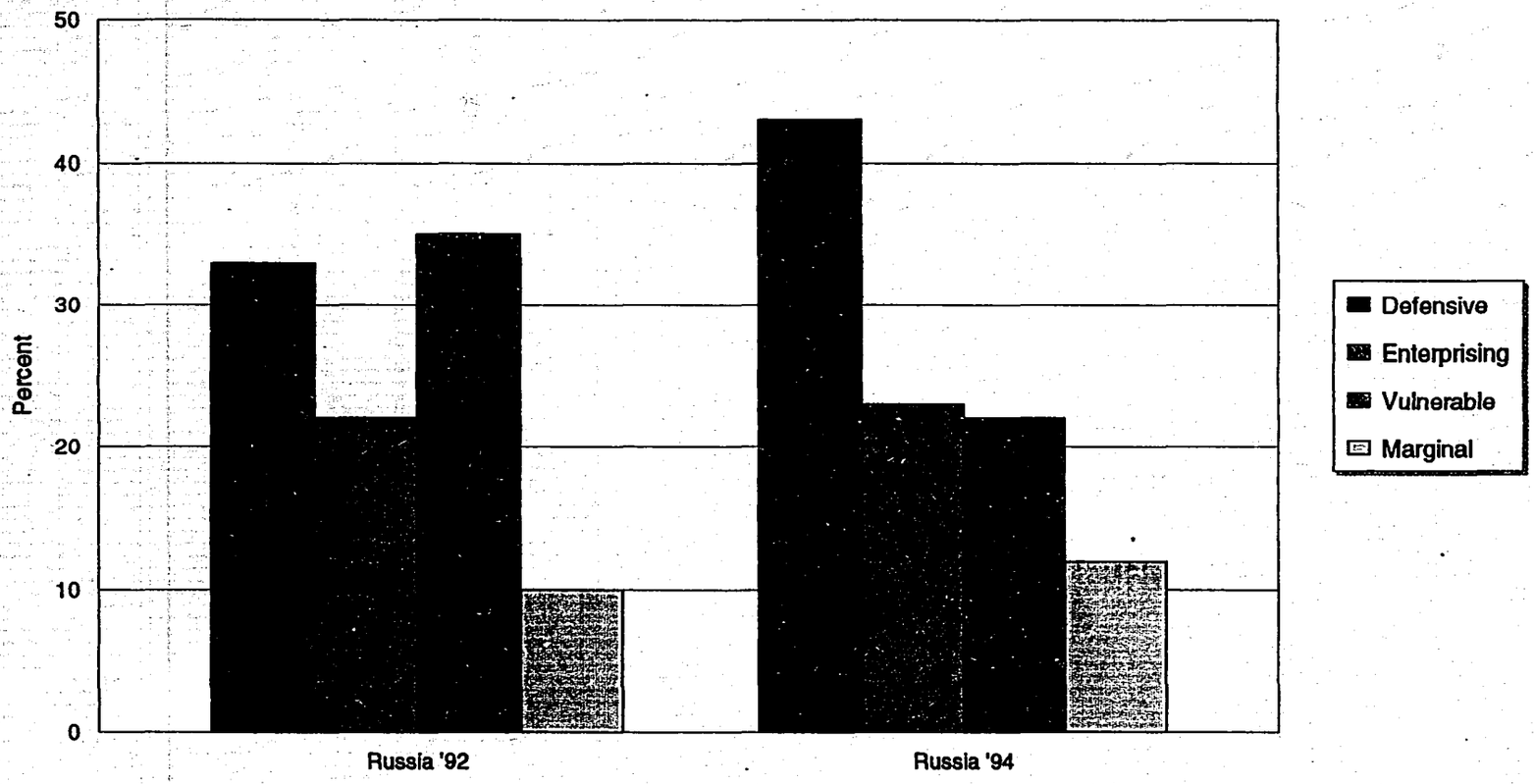


December 1994



Source: Russian Longitudinal Monitoring Survey (March 1995).

Figure 2
Russian Household Portfolios

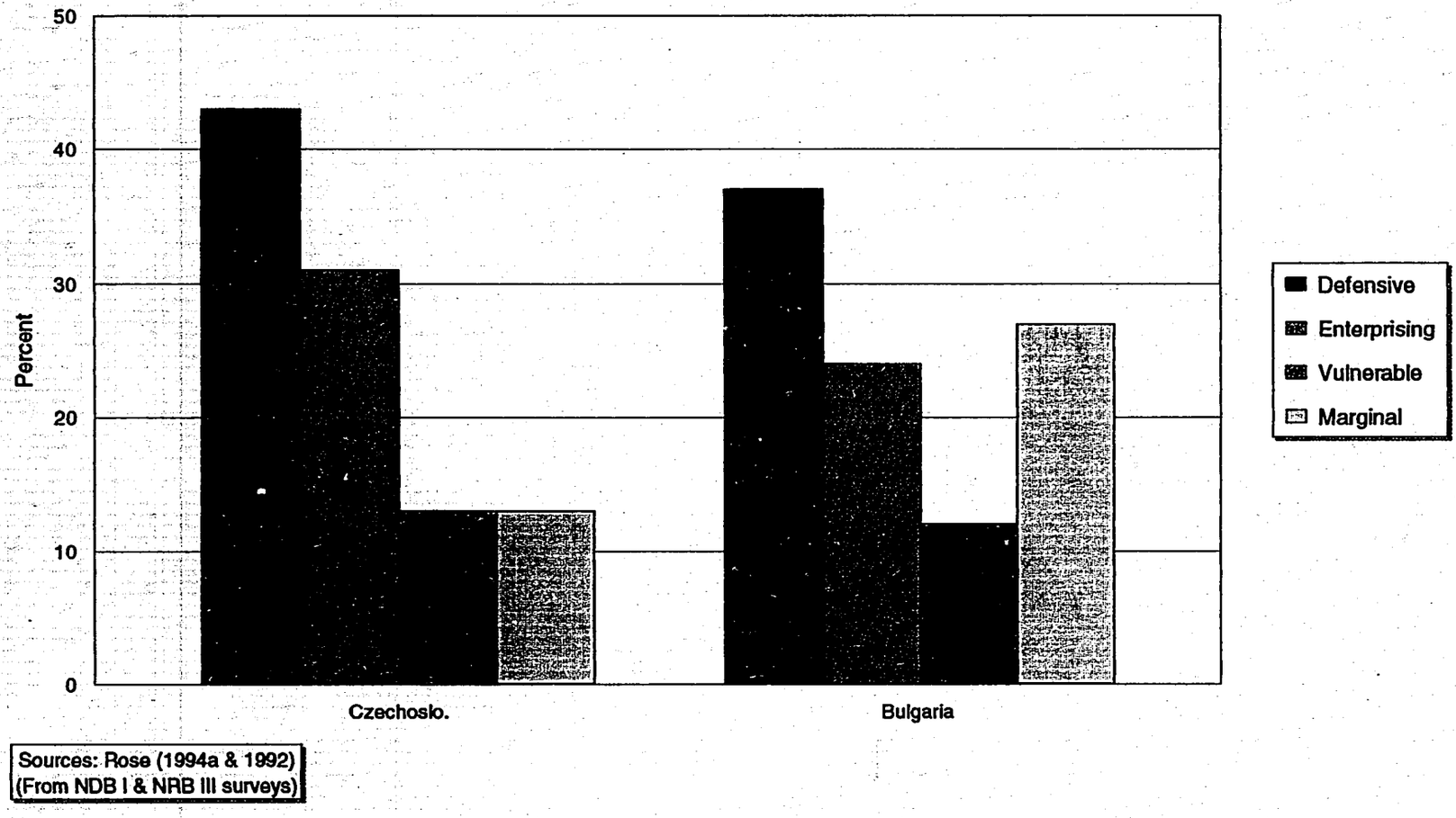


Sources: Rose (1994a &1992)
(From NDB 1 & NRB III surveys)

Defensive: relies upon non-monetized, legal economy & official economy;
Enterprising: relies upon monetized, illegal economy & official economy;
Vulnerable: relies primarily upon official economy;
Marginal: relies primarily upon non-monetized, legal economy.

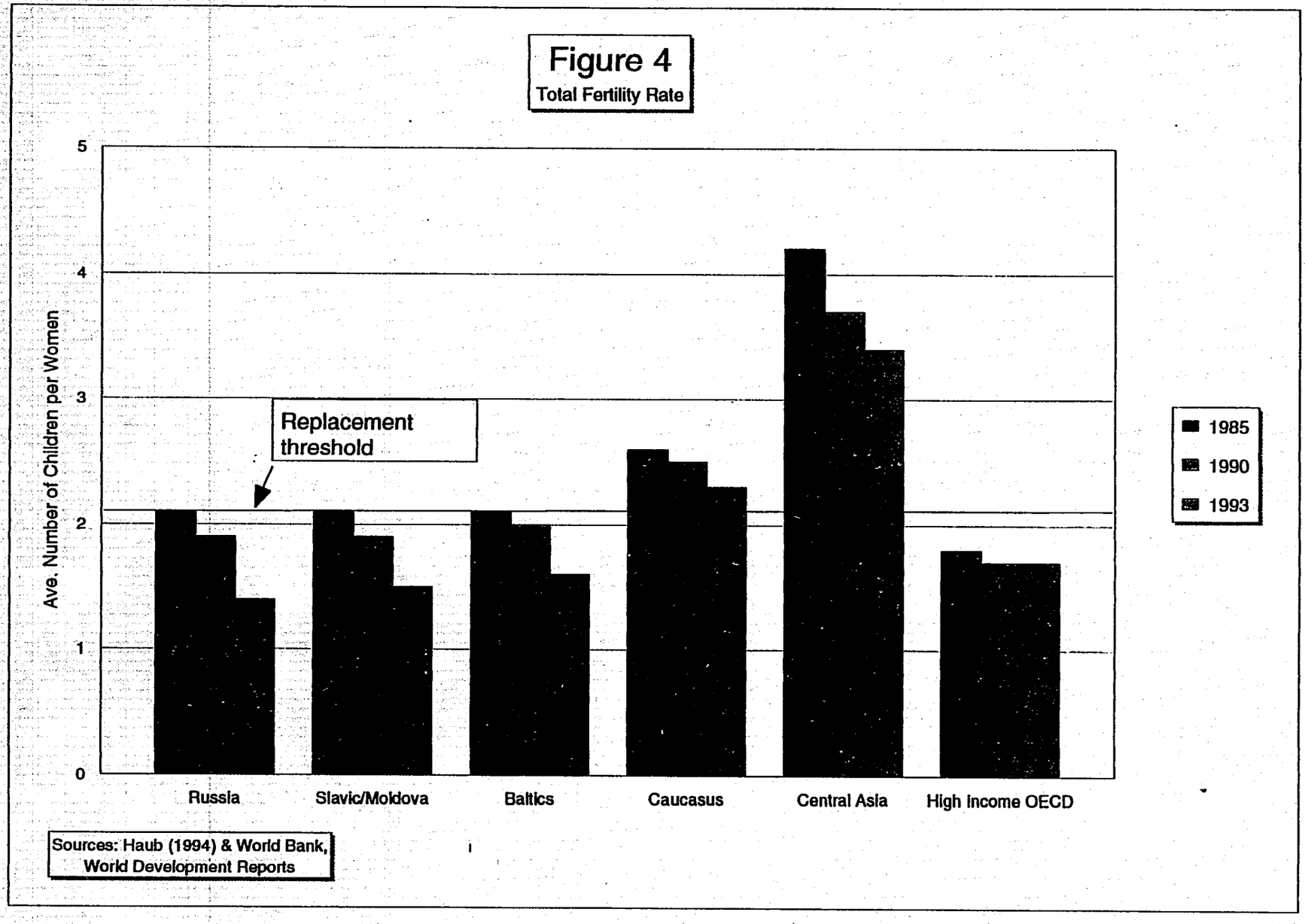
Figure 3

1991 Household Portfolios: CSFR & Bulgaria



Sources: Rose (1994a & 1992)
(From NDB I & NRB III surveys)

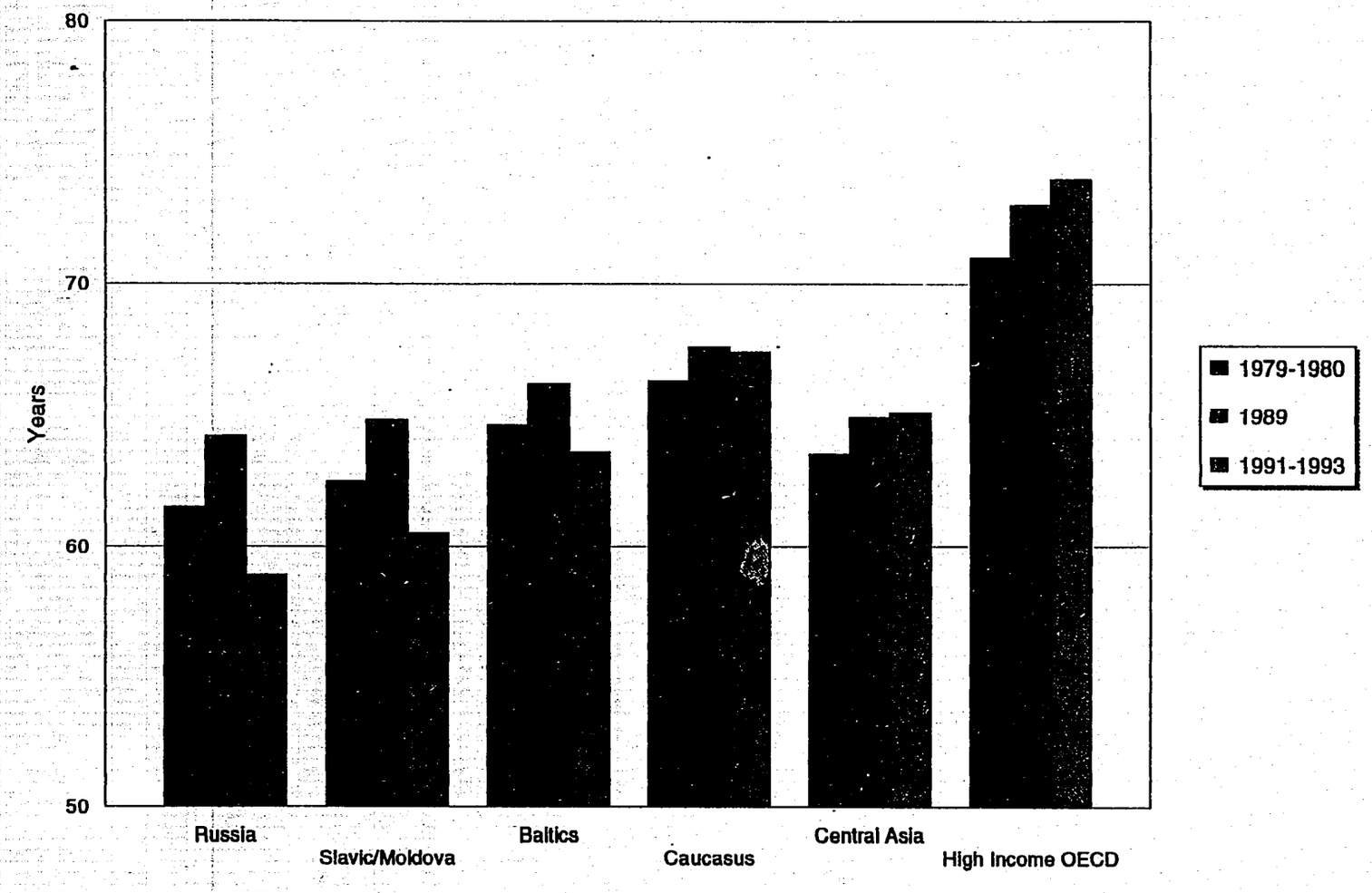
Defensive: relies upon non-monetized, legal economy & official economy;
Enterprising: relies upon monetized, illegal economy & official economy;
Vulnerable: relies primarily upon official economy;
Marginal: relies primarily upon non-monetized, legal economy.



Discounting migration flows, a society must maintain a fertility rate threshold ot 2.1 to replace the current population.

Figure 5

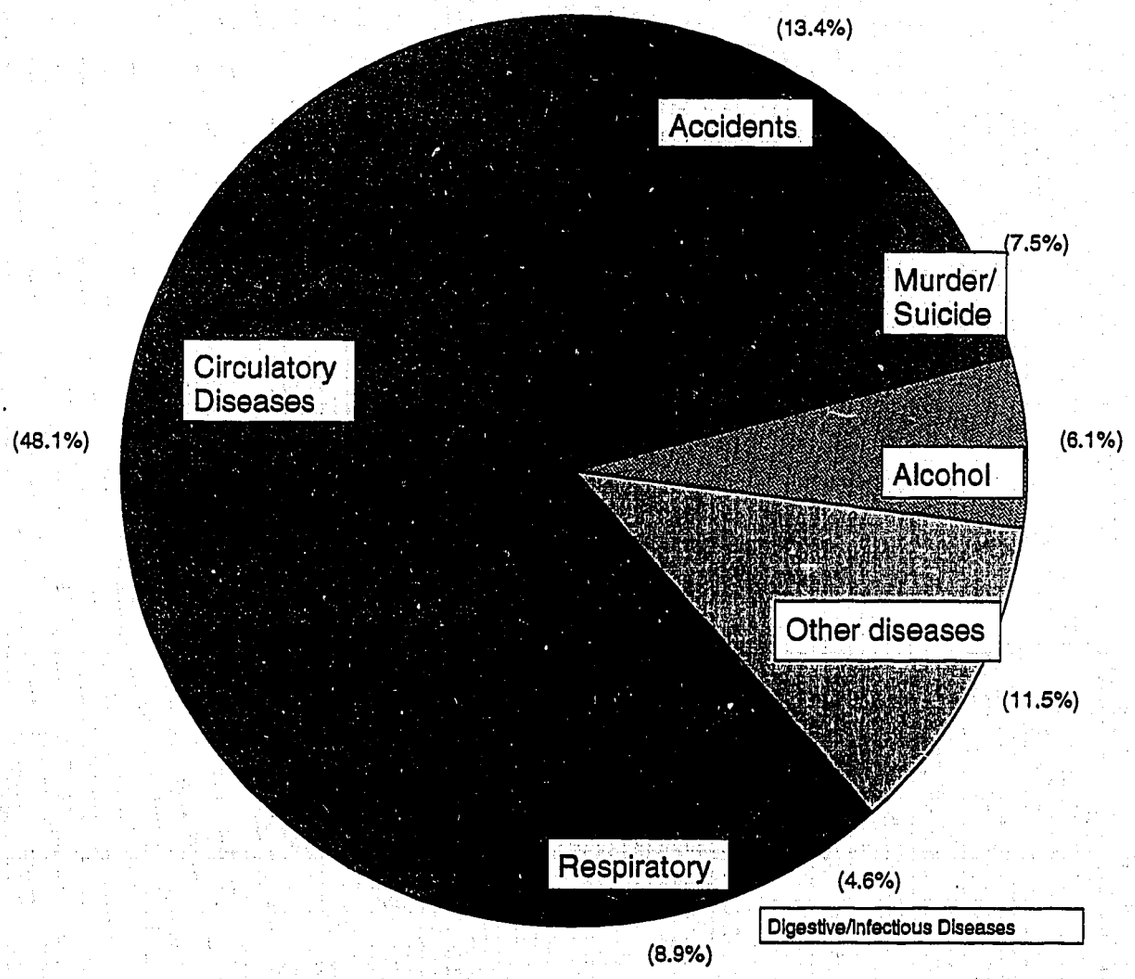
Male Life Expectancy at Birth



Sources: Haub (1994) & World Bank, World Development Reports.

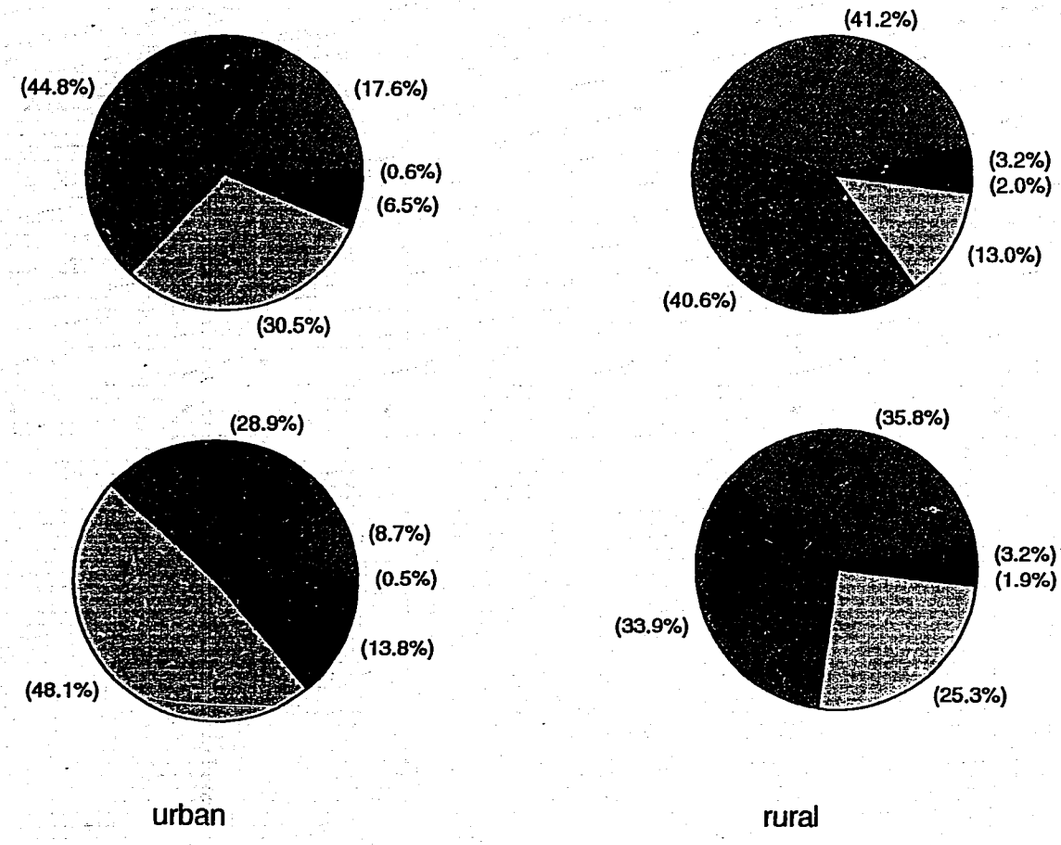
Figure 6

Causes of Increased Deaths in Russia, 1992 to 1993



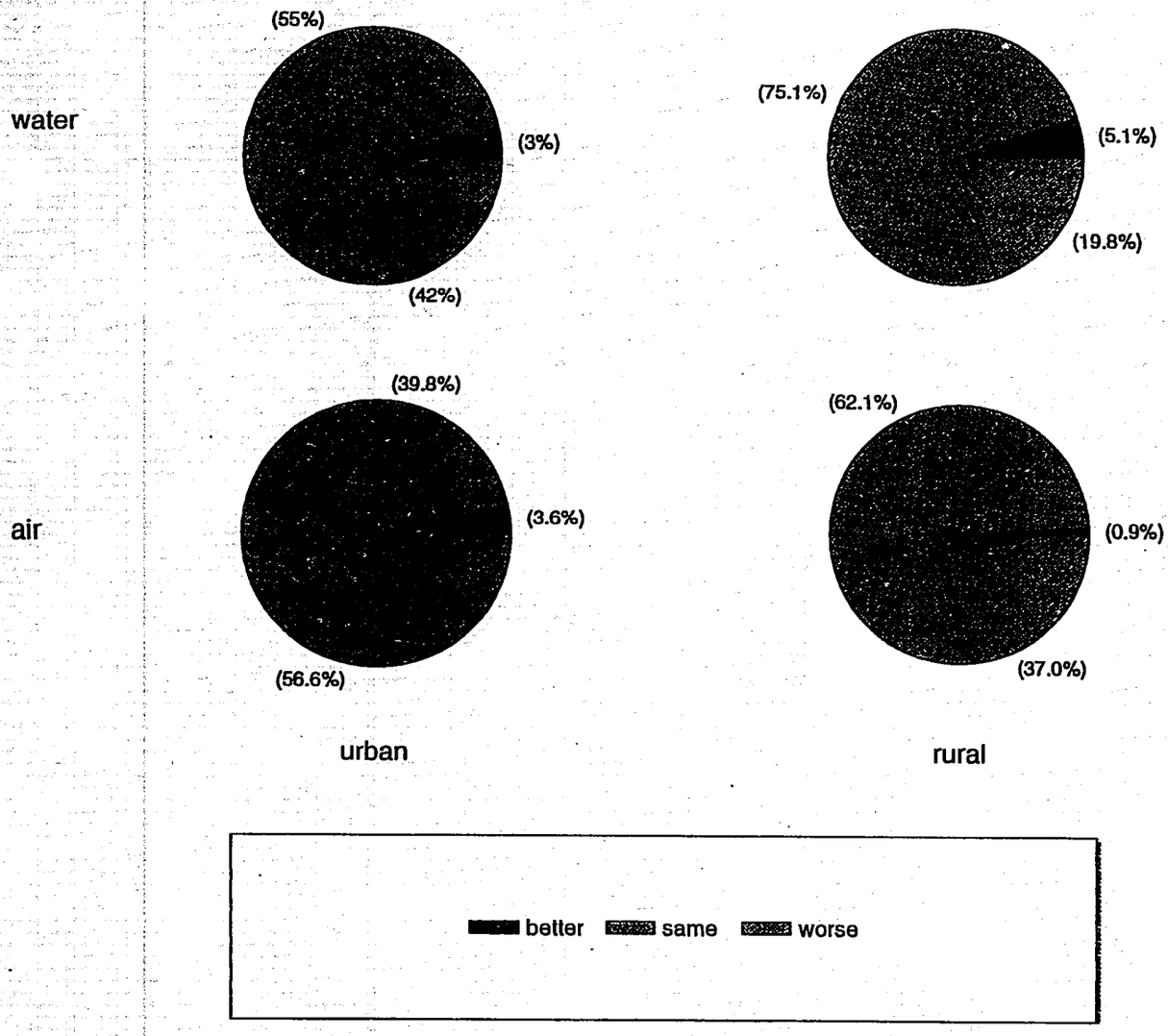
Source: Haub (1994) from Goskomstat data

Figure 7
Environmental Health
(Percent who think water/air is very clean. clean, average, dirty, very dirty)



Source: Russian Longitudinal Monitoring Survey (March 1995).

Figure 8
Environmental Health
Percent who think over the past few years water/air has gotten better, same, worse



Source: Russian Longitudinal Monitoring Survey (March 1995)